



Your Benefits

Department of Administration, Office of Group Insurance, Boise Idaho

May 2007

No Change in Premium for FY2008; Plans Continue With Minor Modification

Employee paid premiums will remain at current (FY07) levels per Legislative direction. The following modifications will be made to the medical/dental plans for FY2008 to help mitigate some of the insurance carrier's requested rate increase:

Medical Plan Changes -

- The prescription benefit will become a formulary plan with changes in co-payments (See page 2 for details).
- High cost imaging, i.e. MRI, MRA, PET, and CAT scans will require pre-authorization.
- A \$100 co-payment for Emergency Room visits will be added to the plans.

Open Enrollment for Dependent Dental and Vision

- Employees who previously declined dependent dental or vision coverage will have an opportunity to add those coverages.

Flexible Spending Account (FSA)

- A debit card will be available to all participants in the FSA plan for FY2008. Additional information about the debit card can be found on page 3.

LEGISLATIVE DIRECTION ON PLAN RENEWALS AND FUNDING

During this year's session, the legislature provided no additional funding for the State paid portion of the medical or dental plans for FY2008. It was also their direction that employee paid premiums were to remain at current levels. The Dept of Administration was to absorb the necessary increase from excess reserves.

FY08 will be the second year that state-paid and employee-paid premiums have not increased. In FY2007 the needed increase in premiums was 3.6%. In FY08 the needed increase is 14%.

The Office of Group Insurance absorbed the required increases in those two years using reserves, which are one time monies. Once these reserves are spent those funds are gone creating a gap between actual ongoing funding and the cost of claims. FY2009 costs are projected to increase by an estimated 11%; bringing the cumulative deficit to approximately 30%.

There are methods to address this deficit.

- Change the plan design, i.e. increasing deductible and co-pay or coinsurance amounts.
- Benefit modifications or elimination.
- Pass more of the premium cost to the employees.

All of these options simply pass more of the plan costs from the State to employees either in increased premiums or at the time of service.

We will be working with policy makers, including the Governor's Office, Division of Financial Management, Legislative Budget Office, Division of Human Resources, and employees to address these cost ramifications in future.

Online Enrollment For Medical/Dental and FSA

If your agency is on the State Controller's (SCO) payroll system you must submit your Open Enrollment Choice online.

You access the online enrollment program using the **same sign-on and password** you use to submit time-sheets or view pay stubs. Once signed on click:

- Employee Self Service
- At the IPOPS site, put your cursor over the Self Service tab on the left of the screen and select 'Actions'.
- Select either Open Enrollment (for Medical/Dental/Vision) option to change your medical plan or add dependent vision or dental or your

pre- post-tax premium withholding status; or FSA Election form to enroll or re-enroll in the Flex plan.

- Click on 'next', and the online form will appear. Complete the appropriate form to make the change or changes you desire and click "Submit".

If your agency is not on the SCO payroll system and you want to make a change, you must submit a hard copy form to your agency HR/Payroll office.

The medical/dental/vision Choice Card, pre-or post-tax premium withholding form, and the FSA election form can be downloaded from the

State Employee Portal:
www.employee.idaho.gov



May 30, 2007 is the Deadline for Any Plan Changes -

All changes to your health plan, inclusion of dependents for dental and vision coverage, enrollment or re-enrollment in the Flexible Spending Account (FSA), or changes to your pre- or post-tax premium withholding election **must be submitted online or received in the Office of Group Insurance by the end of the business day, May 30.**

If you are not making any changes to your insurance coverage, i.e., switching plan designs, changing your pre- or post- tax premium withholding option, or enrolling/ re-enrolling in an FSA, no actions are required on your part.

Fiscal Year 2008 Monthly Premium Rates:

Monthly premium rates for Employee-paid Medical, Dental and Vision coverage under the medical and dental plans will not change for FY2008. The State contribution toward the plans will remain at \$7,125 per employee per year. Employee paid premiums are as follows:

Medical, Vision, Dental	Employee Only	Employee and Spouse	Employee and Child	Employee and Children	Employee, Spouse and Child	Employee, Spouse and Children
PPO Plan	\$23.00	\$59.00	\$38.00	\$53.00	\$72.00	\$80.00
Traditional Plan	\$29.50	\$72.50	\$48.00	\$65.00	\$88.00	\$98.00
Vision Plan (VSP)	\$0.00	\$2.00	\$3.00	\$3.00	\$4.00	\$6.00
Dental Plan	\$4.50	\$26.75	\$22.25	\$34.75	\$39.00	\$45.25

Supplemental Life Rates Increase 4.8% for FY2008 (Rates per \$1,000 Coverage)

Age	35 & under	36-40	41-45	46-50	51-55	56-60	61-65	66-70	71-75	76-80	81-85
Mo. Prem.	\$ 0.08	\$ 0.12	\$ 0.17	\$ 0.27	\$ 0.43	\$ 0.77	\$ 1.04	\$ 1.59	\$ 2.27	\$ 3.43	\$ 5.11

MEDICAL PLAN MODIFICATIONS FOR FY2008

The needed increase on the medical plans has led the State to make a few modifications to the medical plans offered.

Prescription Benefit

The State medical plans incurred \$36 Million in prescription costs in FY2006. These costs are projected to increase by more than \$5 million in FY2008. In an effort to contain these costs, four modifications will be made to the prescription benefit effective July 1, 2007.

- A "formulary plan" will be implemented. A formulary is a list of drugs that are covered under the plan. All drugs on the list are prescription medications that are effective, safe and affordable. Your out of pocket cost for prescriptions will change as follows:
 - A \$10 co-payment required for each 30 day supply of a Generic drug.
 - Formulary brand medica-

tions will require a 25% **coinsurance** to a maximum of \$50 per 30 day supply, and

- Non-formulary medications will require 50% **coinsurance** to a maximum of \$100 per prescription.
- The new co-payment/co-insurance requirements are reflected in the table on page 3.
- There are now generic cholesterol lowering medications (*statins*) available. The average cost of brand name statin drugs like Zocor and Lipitor are between \$140 and \$155 per month. The new generic statin medications cost about \$15 for a 30 day supply. Statins are the second most frequently prescribed medications on the State's plans. To encourage members taking brand name cholesterol lowering medications to try a generic, the State will implement a

ZERO co-pay program offered by Blue Cross. Beginning July 1, a member purchasing the generic statin will have no co-pay for each 30 day supply. The state will evaluate the effectiveness of the option for the next 12 months.

- **A 90 day supply of any medication will require 3 co-payment amounts.**

A list of the drugs on the formulary is available on the Blue Cross website at www.bcidaho.com

Pre-Authorization on High Cost Imaging

Recent research at Dartmouth indicates that use of high cost imaging (CT, MRI, MRA and PET scans) can be utilized with no improvement in health outcomes. Often patients are sent for a high cost imaging service, i.e. PET scan when a less ex-

pensive imaging procedure would provide the same information. The State is adding a pre-authorization for any elective scans. The provider ordering the scan will be required to provide clinical information to a national radiology management company contracted by Blue Cross to substantiate the need for the higher cost scan and receive pre-authorization for the service. The provider of the service must assure that the pre-authorization has been obtained.

Emergency Room Co-payment

The use of Emergency Room (ER) services on the State's medical plans is above the expected level. We will be re-establishing a separate \$100 co-payment for each ER visit. This requirement had been in place in prior plans.

Enroll or Re-Enroll in the Flexible Spending Account Program Now

Open Enrollment is the **only** time of the year you may enroll in the Flexible Spending Account program (FSA). **Current participants must re-enroll before the open enrollment deadline, or their enrollment will end on June 30, 2007.** Flexible Spending Accounts allow you to pay for eligible health care and dependent daycare expenses on a tax-free basis.

There are two kinds of accounts for you to choose:

The **Dependent Care Account** allows you to set aside up to **\$4,992** per plan year to pay for eligible dependent daycare expenses.

The **Medical Reimbursement Account** allows you to set aside up to **\$3,000** per plan year to pay for eligible health care expenses such as:

- ◆ Deductibles, Coinsurance, Co-

pays,

- ◆ Prescription Drugs
- ◆ Over the Counter Medical Treatment Items, such as aspirin and allergy medications,
- ◆ Orthodontia and Hearing Aids

Remember to carefully calculate the amount you want set aside into your Medical Reimbursement and/or Dependent Care Accounts for the coming year. **Money left in either account after the plan year claim filing period ends is lost and cannot be carried over into the next year.**

Frequently Asked Questions about FSAs can be found on the Open Enrollment site on the Employee Portal at:

www.employee.idaho.gov

DEBIT CARD ADDED TO FSA

Effective July 1, 2007 those enrolled in the FSA plan will have the opportunity to request a debit card to use at the point of service for reimbursement of eligible expenses from their Medical FSA account. The debit card will add an additional \$1.50 per month to the current \$3.30 administrative charge on the plan.

Reimbursement is made via the debit card up to the annual contribution amount in the participant's account. All claims submissions are treated as "conditional" pending confirmation of the charge by the submission of additional third-party information, such as a receipt or Explanation of Benefits form (EOB) from the insurer. If this substantiation isn't received within a certain period of time, The third party administrator on the FSA plan (SHDR) will suspend the participant's card and freeze their FSA account until substantiation is received or the unsubstantiated amount is repaid by the participant.



LONG TERM DISABILITY INCREASE IN MAXIMUM MONTHLY BENEFIT

The current monthly maximum benefit on the Long Term Disability plan is \$3,000. Effective July 1 that maximum has been increased to \$3,750. The increase provides a full 60% monthly benefit to employees making up to \$75,000 annual salary. We will review the maximum each year to determine whether the maximum benefit level has to be increased. The Office of Group Insurance will be adding a voluntary supplemental LTD plan for those employees who want to purchase additional coverage to increase their monthly benefit while on disability. We will keep you posted on the potential effective date.

Rx Co-pay/Co-insurance Per 30 Day Supply

Network Pharmacy		Non-Network Pharmacy
<u>Generic Covered Formulary</u> —	\$10 Co-payment	\$25 co-payment, plus 20% of balance over allowable charge
<u>Formulary Brand Name</u> —	25%, Max. \$50	
<u>Covered Non-Formulary Brand</u> —	50%; Max. \$100	



These co-pay amounts are per 30 day supply; a 90 day supply of any medication will require 3 co-payments

Your Health Plan — 24/7

My Health Plan offers you quick and secure access to your individual health plan information via the BlueCross of Idaho's Web site at:
www.bcidaho.com

After completing a short registration process, you can access the secure Member section where you will find many self-service tools. Here are some of the services you'll find on *My Health Plan*:

- Check your claims status online
- Track your deductible accumulation
- Print your Explanation of Benefits following claims processing
- Order additional ID cards

If you have questions about *My Health Plan* or Blue Cross of Idaho's Web site, or need more information, please call **Customer Services at 1-866-804-2253 or 331-8897 in the Boise area.**

Open Enrollment Resources, Contacts



Department of Administration
Office of Group Insurance: 1-800-531-0597
(Boise Area: 332-1860) ogi@adm.idaho.gov
www2.idaho.gov/adm/insurance/group_index.htm

BlueCross of Idaho
1-866-804-2253 (Boise Area: 331-8897)
www.bcidaho.com



This publication presents general benefit information. In the event of any conflict between the information in this publication and the Plan provisions, the Plan documents and insurance contracts will govern.

RETURN SERVICE REQUESTED

State of Idaho
Department of Administration
Office of Group Insurance
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Boise, Idaho 83720-0035



2008 Health Insurance
Open Enrollment May 14-30, 2007

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